

Mike Williams
Moderator
Opening Comments

Welcome to our workshop on the African Growth and Opportunity Act (AGOA) and Agriculture: Trade Works. We are please you joined us today because our panelist have some provocative and thought provoking ideas to share with you today about a continent that though much criticized has a remarkable resilience and energy and I believe in the 21 century will finally live up to its enormous potential. America has a role to play in the realization of that potential and that some of what we will talk about today. My hope is that we will focus more on the how and less on the why. Every major power in the world is actively pursuing a major resource based and agricultural agenda in Africa because they are focused on getting things done. Finding a problem and finding a solution unfortunately we have mostly only seen the problems in Africa and not spent much time or much in the way of resources finding solutions. With the leadership of the Secretary and the FAS hopefully that will change. Many many companies are making huge profits in Africa. I believe we can provide a better product and better service but we have to get into the game. My opening statement is brief and more by way of background.

As many of you know, most of the countries of Africa are net food importers although their economies are essentially agrarian. Unfortunately, population growth has outstripped gains in agricultural productivity. Last year West Africa alone imported more than \$10 billion worth of agricultural commodities. Unfortunately, very little of that came from the United States. Over the last 30 years the steady decline in agricultural productivity in Africa has contributed to a steady rise in domestic food prices and a decline income per capita. Africa's governments and its private sector are interested in creating an agricultural infrastructure that will increase farm income by implementing projects that dramatically increase local production and processing capability. I believe that any U.S. effort and policy focus on promoting increased farm production and processing that includes a major initiative to transfer modern farm technology and management skills to local African farmers will be met with open arms and I think have a significant impact on farm productivity and income.

U.S. farmers are the most efficient and productive farmers in the world but globalization and the elimination of traditional government support mechanisms have undermined U.S. farm exports and income generation. Rationalization of production and processing systems in African countries could result in reduced trade barriers facing some U.S. products. There are a number of people, like me, who believe that by exporting U.S. farm management and technology to build the agricultural processing infrastructure in Africa the U.S. farmer will be able to establish markets for farm commodities that have not existed in the past because of duties, taxes or import bans implemented by various African governments to protect inefficient local farmers will no longer be necessary.

Ten years ago when we were first thinking about drafting a bill (that became AGOA) that would broaden the discussion about Africa beyond HIV, ethnic violence and one humanitarian crisis after another. Most of the discussion centered on agriculture but because so many members of congress were from agricultural states and the idea of trade with Africa was so new, plus of course the Republican Revolution had just happened and ended over forty years of Democrats rule. The budget deficit was huge and growing. The timing was bad, it was clear we could not afford a prolonged fight, we made a strategic retreat and focused on textiles and apparel—entry level manufacturing, a highly mobile industry and labor intensive. More importantly we had only two states to deal with North Carolina and South Carolina. Even then it took four years of struggle after we introduced the first bill in April of 1996. With the end of the multi fiber agreement and with that the end of quotas Africa is back to square one and that means Agriculture. That is why discussions like we will have today are so important and timely.

So I am very pleased to be here today to moderate this panel and hopefully the great discussion that will evolve from the message that the panelist will deliver today.

I have recently returned from 5 years in Nigeria working on housing and agriculture issues so I approach today's discussion as a policy nerd and as someone who has recently returned to reconsider the way forward.

We have great speakers today so lets get to the meat of our workshop. Our first speaker will be:

- Describe the Speakers and the time limit. Also announce that we will be firm on the time so that we can have maximum time for Q & A and involve the audience in the discussion.